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FISCAL IMPACT STATEMENT

LS 7390

BILL NUMBER: SB 482

NOTE PREPARED: Jan 12, 2009

BILL AMENDED:

SUBJECT: Marion County Consolidation.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill has the following provisions:

Abolish Townships: In Marion County, the bill abolishes effective January 1, 2011, the offices of township trustee and township board and transfers all township duties and responsibilities, including township assistance, cemetery maintenance, weed control, and parks and recreation, to the mayor.

Township Assistance: It requires the mayor to appoint, subject to the approval of the city-county council, a director of public assistance to administer township assistance on a countywide basis.

Property, Equipment, Records, Rights, Contracts, and Indebtedness: It also provides that a transfer of duties between the townships and the county results in the transfer of property, equipment, records, rights, contracts, and indebtedness.

Board of Commissioners: The bill abolishes the Marion County Board of Commissioners effective July 1, 2009.

County Assessor: It provides that a county assessor shall not be elected in 2010 and thereafter in Marion County. The bill provides that in Marion County, the mayor of Indianapolis shall appoint the county assessor, subject to the approval of the city-county council, beginning on the earlier of: (1) the end of the term of the county assessor elected in 2006; or (2) the date the office of county assessor becomes vacant. It requires an appointed county assessor appointed to be certified as a Level Three assessor-appraiser.

Sheriff Responsibilities: The bill provides that after December 31, 2010, the county sheriff of Marion County

is no longer responsible for emergency communications. It specifies that in Marion County: (1) the director of the community corrections program is considered a director of a department of the consolidated city; and (2) employees of the community corrections program are employees of the consolidated city.

Health and Hospital Corporation: It specifies that, subject to the approval of the city-county council, the mayor shall appoint the executive director of the Health and Hospital Corporation, who shall serve at the pleasure of the mayor.

Marion County Capital Improvement Board: The bill provides that the mayor may designate the chairperson of the Marion County Capital Improvement Board.

Library Board: The bill changes the appointing authorities for the library board in Marion County. It provides that, subject to the approval of the city-county council, the mayor appoints the director of the public library in Marion County, who shall serve at the pleasure of the mayor.

Public Transportation Corporation: It changes the appointing authorities for the board of directors of the public transportation corporation in Marion County. The bill provides that, subject to the approval of the city-county council, the mayor appoints the executive director of the public transportation corporation in Marion County, who shall serve at the pleasure of the mayor.

County Auditor and Treasurer: It provides that effective January 1, 2011, in Marion County, the powers and duties assigned to the county auditor and the county treasurer under the property tax statutes shall be exercised by and are the responsibility of the Indianapolis controller.

Distributive Shares: The bill provides that after 2010, the monthly distributive shares of county option income taxes that would be distributed to a township for which township government is abolished shall instead be distributed as additional distributive shares to Indianapolis/Marion County.

Small Claims Courts: It transfers responsibilities of township trustees and township boards concerning township small claims courts located in a consolidated city to the: (1) mayor of the consolidated city; (2) city-county council of the consolidated city; and (3) clerk of the circuit court of the county containing the consolidated city. It also abolishes the office of small claims court constable. The bill specifies that on January 1, 2010, personnel provided by the department of public safety of the consolidated city shall perform the duties formerly performed by the constables. It repeals certain provisions concerning small claims court constables, and it repeals provisions concerning the nine Marion County township small claims courts.

State Constitution: The bill provides that if the Constitution of the State of Indiana is amended so that it no longer requires the election in each county of a recorder, surveyor, coroner, sheriff, auditor, or treasurer, the functions, duties, and obligations of those offices in Marion County are on the earlier of: (1) the end of that official's term of office; or (2) the date the office becomes vacant are transferred to specified departments, officials, and entities.

Department of Local Government Finance: The bill requires the Department of Local Government Finance (DLGF) to adjust maximum permissible property tax levies and property tax rates as necessary to account for transfers of duties, powers, and obligations.

It makes conforming amendments.

Effective Date: July 1, 2009; January 1, 2010; January 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues: If an included town is consolidated with a county, any unexpended Motor Vehicle Highway Account distributions transfer to the Motor Vehicle Highway Account.

Explanation of Local Expenditures: Summary- The bill has indeterminate fiscal impact on Marion County. The bill does not delete or diminish any responsibilities or administrative functions currently assigned in statute to township trustees, township boards, township small claims courts, or other entities, but rather transfers the responsibilities to the county. It makes the mayor of the consolidated city the appointing authority for many functions and for certain officers if the state Constitution is changed. If the county can perform or contract for the performance of the duties and administrative functions of the townships or other consolidating entity more efficiently, cost savings will result.

Abolishing Townships: Township government in Marion County is abolished, and its duties and powers are conveyed to the county beginning on January 1, 2011. Township trustees and township boards are abolished, and all functions, duties, and responsibilities of the township trustee and board are transferred to the county executive. The assets, property rights, equipment, records, personnel, and contracts transfer to the county executive, as well. The following actions occur to abolish township government:

Funds Transfers: Township debt service fund balances are to transfer to the county to pay any indebtedness or lease rental obligation for which the fund was established. Any remaining balance in the fund after debt is paid transfers to the county general fund. The township general fund balances transfer to the county executive, and the township assistance fund balances transfer to the county township assistance fund. Counties are to pay expenses for township cemeteries from the appropriate county fund.

After July 1, 2009, a township trustee or other official may not take any steps with respect to the assets, debts, liabilities, or other financial account of the township which alters the balance greater than a 2% margin of the account balance.

Township Assistance: The county executive is to appoint a public assistance director to estimate the amount needed for township assistance in the following year and to administer township assistance on a countywide basis. The public assistance director will have the same privileges and immunities as township trustees. The public assistance director is to have the same powers in administration of township assistance as the township trustee has, including reporting requirements, and the same standards and requirements for recipients apply to township assistance administered by the county. Any application for township assistance for which a final decision has not been entered by December 31, 2010, will be treated as a new application. Any application granted but not disbursed prior to January 1, 2011, is to be disbursed and administered by the county.

Detrimental Plants: Duties concerning detrimental plants are conferred and imposed on the county for property in the county. The county legislative body will act to borrow money to meet emergency needs. Any fines collected for a Class C infraction concerning detrimental plants are to be placed in the appropriate county fund. The weed control board will include the county official designated by the county executive for the destruction of detrimental plants rather than township trustees.

Township Transition: After June 30, 2009, and before January 1, 2011, a designee of the county

executive is to meet with each township trustee to effect the proper transition. The designee is to make a report regarding the transition which is made public upon request. The township board is to act as the township transition advisory board for the executive. The board's responsibilities are to include transition of responsibility for township assistance and fire departments. The board is to report monthly to the executive.

Marion County Small Claims Courts: The judges of the small claims court will continue to be elected to a four-year term of office.

Judge Salaries: Judge salaries are to be set by the city-county council, payable on a schedule determined by the executive. A judge will set the salary of as many small claims court clerks as are necessary to operate efficiently and adequately serve the citizens, with the approval of the city-county council. Current law sets a floor of \$5,600 for clerk salaries.

Court Fees: Court fees will remain unchanged, but will be paid to the clerk of the circuit court. Fees collected for court administration and judicial salaries are to be deposited in the county general fund, township small claims courts account. The executive expends the funds without appropriation only to pay costs associated with the small claims court.

Constables: The office of constable of the small claims court is abolished on December 31, 2009. All assets, debts, property rights, equipment, records, and contracts will transfer to the executive. The executive's designee, six months prior to the end of the constable's term of office, is to begin the transition process and report to the executive on progress. The Department of Public Safety is to provide adequate persons to act as bailiff of the court, serve processes, carry out orders of the court, and prepare and mail all registered or certified service. Constables are currently paid from the service of process fee, which is \$13, whether delivered in person or by certified mail.

In 2007, Marion County small claims courts generated a total of \$4.9 M, including \$1.6 M in state funds, \$100,000 in county funds, and \$3.2 M in local funds. The local funds would instead go to the county under the bill. Additionally, in 2007, Marion County small claims court received \$579,000 for serving process by certified mail and \$1.5 M for service of process by personal service. These amounts are to be paid directly to the constables.

Abolishing Board of Commissioners: The board of commissioners in Marion County is comprised of the county treasurer, county auditor, and county assessor. The board of commissioners make appointments, perform duties and exercise powers pertaining to the issuance and payment of bonds, and exercise Constitutional powers. The officers serve on the board of commissioners without additional compensation.

Election of Local Offices: The following offices would not be on a Marion County ballot in 2010 and after: county assessor, township trustee, township board member, and constable of the small claims court.

Appointments: The mayor will appoint seven members of an airport authority board, rather than the mayor appointing six members and the board of commissioners appointing one. The mayor will appoint five members of the health and hospital corporation board, instead of the mayor appointing three and the board of commissioners appointing two. Also, the mayor will appoint the executive director of the health and hospital corporation instead of its board of directors.

Public Transportation Corporation: The mayor will appoint four members of the board of directors of a

public transportation corporation, and the consolidated city legislative body will appoint three. The mayor will also appoint the executive director. [IndyGo is a public transportation corporation that is part of the consolidated city government. Under current law, four members of the board are appointed by the legislative body and three are appointed by the mayor. The 2009 proposed budget for IndyGo is \$57 M, an increase of \$7 M over the 2008 budget of \$50 M.]

Transfers of Functions, Duties, and Obligations: If the Constitution is amended so that certain officers are no longer elected, a designee of the mayor will begin meetings with the office incumbents one year before the official's term of office ends to plan transition. The designee will report to the county executive on the transition.

Community Corrections: Marion County Community Corrections will receive funding from user fees, appropriations of the county general fund, and from the Indiana Department of Correction through a grant process.

Explanation of Local Revenues: *City Controller:* The city controller will be responsible for and will exercise the duties of the county auditor concerning taxation and is responsible for the functions, duties, and obligations of the county treasurer.

County Township Assistance Fund: The county public assistance director with the approval of the city controller is to estimate the cost of township assistance in the county for the following year, and the county legislative body is to adopt a uniform county tax rate to meet the estimated costs. The taxes levied for township assistance are to be placed in the fund, and the money in the fund is to be used to pay the expenses and obligations set forth in the annual budget. Drugs and vaccines provided to indigents are to be paid through the county's township assistance fund. Money in the fund at the end of the year does not revert to the county general fund.

County Cemetery Tax: The county may levy a county cemetery tax to create a fund to maintain cemeteries. If the tax is not levied or is insufficient, the county general fund may be used.

Maximum Property Tax Levies and Other Tax Distributions: The maximum general levy for ad valorem property taxes first due and payable in 2011 is the sum of the maximum general levy of the county and the combined maximum general levies of all the townships. Distributive shares of taxes other than property taxes, such as local option income tax, financial institutions tax, and motor vehicle excise tax, will transfer to the county.

Maximum Levy: The maximum tax levy for property taxes first due and payable in 2011 is the maximum levy for the county for property taxes first due and payable in 2011 plus an amount equal to the combined property tax levy of the consolidating entities for taxes first due and payable in 2010.

State Agencies Affected:

Local Agencies Affected: Marion County.

Information Sources: State Court Administrator, *2007 Revenue Generated by Marion County Small Claims Courts*; State Board of Accounts, *Perry Township Financial Compliance Report, December 31, 2004 to December 31, 2005*, Franklin, Lawrence, Pike, Washington, and Wayne Township Financial Compliance Reports, *December 31, 2005 to December 31, 2006*; Decatur and Warren Township Financial Compliance

Reports, December 31, 2006 to December 31, 2007

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